

Message Text

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FOL REPEAT TOKYO 3385 ACTION USERDA INFO SECSTATE MAR 5.

QUOTE

C O N F I D E N T I A L TOKYO 3385

ERDA FOR N. SIEVERING, G. HELFRICH, V HIDGINS

E.O. 11652 GDS

TAGS: TECH, JA

SUBJ: JAPANESE SALE NUCLEAR EQUIPMENT TO USSR

REF:)1 STATE 53351, 2) TOKYO 2130

1. ON MARCH 4, PRIOR TO RECEIPT REF 1), SCIREP MET WITH DIRGEN MORI, ONE OF TWO JAPNESE WHO HAVE BEEN PRIMINARY PARTICIPANTS IN THE JAPANESE-USSR TALKS ON THE MANUFACTURE OF PWR COMPONENTS BY THE JAPANESE NUCLEAR INDUSTRY FOR THE USSR. THE OTHER HEAVIILY INVOLVED JAPANESE IS KAI DANREN CHAIRMAN DOKO WHO WAS INITIAL CONTACT OF SOVIET AMBASSADOR TROYAN VSKY.

2. NORI REITERATED MUCH INFO IN REF 2), STATING, IN ADDITION, THA CURRENT PLAN IS TO SUPPLY THE EQUIPMENT FOR FOUR UNITS OVER A TWO YEAR PERIOD AS A START. THEEQUIPMENT LIST CONTAINS SEVENTEEN COMPONENTS OF WHICH MORI IDENTIFIED ONLY PUMPS, CONFIDENTIAL

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PRESSURE VESSELS, IHX'S AND CONTROL ROD DRIVE MECHANISMS

(CDRM'S). THE SIX JAPANESE MANUFACTURERS INVOLVED (HITACHI, TOSHIBA, MITSUBISHI HEAVY INDUSTRIES, ISHAKAWJIMA HARIMA HEAVY INDUSTRIES, FUJI ELECTRIC, AND JAPAN STEEL WORKS) ARE ANXIOUS TO PARTICIPATE IN THE SALE BECAUSE TIMES ARE ELAN IN THE NUCLEAR SUPPLIERS BUSINESS IN JAPAN.

3. MORI INDICATED BELIEF THAT TRANSFER OF TECHNOLOGY WOULD MORE LIKELY GO FROM USSR TO JAPAN THAN OTHER WAY SINCE COMPONENTS AND EQUIPMENT WERE TO BE BUILT COMPLETELY TO SPECS FURNISHED BY SOVIETS. (AS CONSEQUENCE, NO PERFORMANCE GUARANTEES WOULD BE FORTHCOMING FROM JAPANESE.) SCIREP SUGGESTED THAT SINCE THAT THE SOVIETS WERE BUILDING AND MARKETING 440 MWE NUCLEAR PLANTS THAT THE STEP UP TO 1000 MWE COMPONENTS WAS PERHAPS MORE THAN THEY COULD HANDLE TECHNOLOGY, AND IN ADDITION IT MAY WELL BE THAT THEIR 440 MWE SIZED COMPONENTS COULD BE IMPROVED UPON. MORE STATED THAT SOVIETS BUILDING THREE 1000 MWE SIZE PLANTS AND BELIEVED THE REASON THEY NEEDED OUTSIDE HELP WAS BECAUSE OF THEIR OVERCOMMITMENTS. TO SOVIET BLOC COUNTRIES TO SUPPLY THE SMALLER UNITS. SCIREP SUGGESTED THAT EVEN WITH COMPLETE MATERIAL, EQUIPMENT AND MANUFACTURING SPECS, JAPAN MIGHT WELL BE ABLE TO SUPPLY HIGHER QUALITY NUCLEAR COMPONENTS THAN THE SOVIETS COULD MANUFACTURE. COMMENT: MORI ARGUED TO THE CONTRARY BUT NOT VERY CONVINCINGLY.

4. ALL SPECIFICATIONS HAVE BEEN RECEIVED IN JAPAN EXCEPT FOR THE CRDM SPEC WHICH MORI BELIEVES MAY BE A PROBLEM IN THE SENSE OF REQUIRING A US LICENSING AGREEMENT. HE THINKS ON THIS ITEM MAY ASK THE JAPANESE TO USE THEIR OWN TECHNOLOGY ON THIS ITEM, BUT HE FEELS THAT THE OTHER COMPONENTS, BEING COMPLETELY USSR SPECIFIED, WILL NOT REQUIRE JAPANESE (OR US) TECHNOLOGY. HE MADE NO INDICATION THAT ANY CONTACT HAD BEEN MADE WITH US REACTOR MANUFACTURERS.

5. INsofar AS COCOM IS CONCERNED, MITI WOULD HAVE TO APPROVE EXPORT AND WOULD NOT BE FORMALLY APPROACHED UNTIL A LATER TIME. UPON QUESTIONING MORI STATED THAT INFORMAL DISCUSSIONS HAVE BEEN HELD WITH CABINET LEVEL MINISTERS IN MITI AND FORN OFF TO BREAK GROUND FOR FUTURE MITI INVOLVEMENT. COMMENT: SCIREP BELIEVES DEPARTMENT'S RATIONALIZATION IN LAST CONFIDENTIAL

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SENTENCE PARA 1 REF 1) CORRECT, AT LEAST AT PRESENT TIME. GOJ INVOLVEMENT MAY OR NOT TEMPER AGGRESSIVENESS.

6. AFTER SECOND JAPANESE TEAM VISIT TO THE USSR, MORI BELIEVES 80 PCT OF TECHNICAL PROBLEMS RESOLVED, MAJOR OUTSTANDING PROBLEM BEING THE CRDM SPEC. REMAINING PROBLEMS ARE PRIMARILY FINANCIAL. ON FINANCING SIDE, THE SOVIETS HAVE AGREED TO MAKE SOME MONETARY PAYMENTS BUT ARE SEEKING OTHER APPROACHES SUCH

AS EXCHANGES OF PRODUCTS. MORI DID NOT MENTION ENRICHING SERVICES AND UPON BEING ASKED, SIDE-STEPPED QUESTION BUT SAID SOVIETS SEEKING LONG TERM, SIDE-STEPPED QUESTION BUT SAID SOVIETS SEEKING LONG TERM, LOW INTEREST FINANCING. MORI UNDERSTANDS SOVIETS ALSO NEGOTIATING WITH ITALY AND UK BELIEVES JAPANHEAVILY FAVORED.

7. MORI EXPRESSED WHAT HE BELEIVES TO BE GENERALLY ACCEPTED UNDERSTANDING IN JAPANESE NUCLEAR COMMUNITY THAT NUCLEAR SALES TO USSR WOULD BLUNT LEFT WING OPPOSITON TO NUCLEAR POWER PROGRAM IN JAPAN, THEREBY RELEIVING SEVERE PROBLEM IN SITING OF REACTORS AND FUEL CYCLE FACILITIES.

COMMENT: JAPANESE GENERALLY APPEAR TO BELIEVE THAT OVERWHELMING PORTION OF OPPOSITION TO NUCLEAR POWER IS OF LEFTIST ORIGIN, SCIREP UNCERTAIN OF WHETHER BELEIF SINCERE AND ANALYSIS ACCURATE OR WHETHER IT IS SAID IN ASSUMPTION THAT US LIKES TO HEAR IT. IN THIS SPECIFIC INSTANCE BEST GUESS IS THAT THIS IS A TENTATIVE ARGUMENT BEING TRIED OUT TO SEE IF IT WILL FLY.

8. MORI REQUESTED CONTINUED INFORMAL CONTACT AND FEEDBACK AS TO USG FEELINGS. HE REITERATED SINCERE JAPANESE INTENTION TO TAKE EVERY PRECUATION TO AVOID TRANSFERRING JAPANESE OR US NUCLEAR TECHNOLOGY TO THE USSR.
SHOESMITH

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